



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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## **CALIFORNIA TREASURER ANGELIDES COMMENTS ON SHAREHOLDER VOTES FOR WELLPOINT HEALTH NETWORKS-ANTHEM MERGER; VOWS TO CONTINUE FIGHT AT JULY 9 PUBLIC HEARING**

SACRAMENTO, CA – California Treasurer Phil Angelides had the following comments today following the joint announcement by WellPoint Health Networks, Inc., parent company of Blue Cross of California, and Anthem Inc., that both companies' shareholders had voted in favor of the pending merger of the two health-insurance companies:

"I am proud that California's public pension funds voted no on this proposed merger, in the interest of shareholders and consumers. We knew this was an uphill fight, because the executives who stand to benefit from these egregiously unwarranted pay packages have spent months lobbying on behalf of this proposal. But the larger battle over executive pay is far from over, either as it relates to this merger or any other corporation that hopes to indulge its executives with super-sized compensation and golden parachutes at the expense of its shareholders.

"We will continue to oppose this merger, calling on Governor Schwarzenegger and his Department of Managed Health Care to condition its approval of any WellPoint-Anthem merger on the elimination of the excessive executive compensation package that could cost more than a half billion dollars."

The Treasurer, who sits on the boards of the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) – both of which voted their shares against the merger – is next expected to raise his opposition to the deal and, specifically, the excessive executive compensation package, at a hearing on the matter before the California Department of Managed Health Care on July 9 in Sacramento.

Angelides and other pension fund officials announced last Friday that a group of pension funds would vote their shares today to oppose the WellPoint-Anthem merger, in response to a massive bonus, severance and stock option package for WellPoint executives that could exceed a half billion dollars if the deal goes through. The pension funds that voted to oppose the merger, representing nearly \$530 million in holdings in WellPoint and Anthem, included the nation's three largest public pension funds – CalPERS, the New York State Retirement Fund and CalSTRS – along with the New York State Teachers' Retirement System, the Los Angeles County Employees' Retirement Association, the Illinois State Board of Investment and several union pension funds.